

MINUTES OF THE SPECIAL JOINT CITY COUNCIL, ALAMEDA REUSE AND
REDEVELOPMENT AUTHORITY (ARRA), AND
COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
TUESDAY- -JULY 27, 2010- -7:00 P.M.

Mayor/Chair Johnson convened the meeting at 7:05 p.m. Councilmember/Board Member/Commissioner Gilmore led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers / Board Members / Commissioners deHaan, Gilmore, Matarrese, Tam and Mayor/Chair Johnson – 5.

Absent: None.

CONSENT CALENDAR

Mayor/Chair Johnson announced that the recommendation to appoint Michael Krueger [paragraph no. 10-377] was continued; and the recommendation to authorize the Interim Executive Director to sign a Letter of Agreement [paragraph no. 10-58 CIC] and the recommendation to approve an Agreement with the City of Inglewood [paragraph no. 10-378] were removed from the Consent Calendar for discussion.

Councilmember/Board Member/Commissioner Matarrese moved approval of the remainder of the Consent Calendar.

Councilmember/Board Member/Commissioner Gilmore seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*10-376 CC/ARRA/10- 57 CIC) Minutes of the Special Joint City Council, ARRA and CIC Meeting Held on July 7, 2010. Approved.

(10-377 CC) Recommendation to Appoint Michael Krueger to the Oakland Chinatown Advisory Committee. Not heard.

(10-58 CIC) Recommendation to Authorize the Interim Executive Director to Sign a Letter of Agreement in the Amount of \$9,690 with the Greater Alameda Business Association for FY 10-11; to Enter into a Contract in the Amount of \$89,993 with the Park Street Business Association for FY 10-11; and to Enter into a Contract in the Amount of \$81,676 with the West Alameda Business Association for FY 10-11.

Commissioner Gilmore stated two of the business associates have contacted her regarding street maintenance and lighting; landscaping and lighting funds are in the budget; inquired whether a decision has been made for street maintenance and if so,

how things are working.

The Interim Executive Director responded the agreements are the same as in the past; stated this year, funds have been reduced by a nominal amount; the City did an Request for Proposal (RFP) to see if some of the landscape and maintenance services could be done at a reduced rate; the associations have had different views regarding whether the amount of coverage in the RFP's were comprehensive; a vendor has agreed to work with the West Alameda Business Association (WABA) to bifurcate the bid so that the bid would work for WABA; the Park Street Business Association (PSBA) will continue to do its own thing; the landscape and lighting agreement funds are sufficient to cover whatever WABA and PSBA choose to do.

Chair Johnson stated past discussions have addressed advertising at the Oakland Airport; that she thinks the idea is worth reviewing.

The Interim Executive Director stated Alameda is very close to the airport, but nothing is advertised on the screen; advertising costs will be researched.

Commissioner deHaan stated that he recalls the matter being addressed with the Chamber of Commerce.

The Economic Development Business Development Division Manager stated the City has a Contract with the Chamber of Commerce for writing articles and public relations, not airport advertising.

The Interim Executive Director stated the motion could include language regarding looking into airport advertising.

Commissioner deHaan moved approval of the staff recommendation, with direction for the Interim Executive Director to review advertising in the Oakland Airport.

Commissioner Matarrese seconded the motion, which carried by unanimous voice vote – 5.

(10-378 CC) Recommendation to Approve an Agreement with the City of Inglewood for Citation Processing and Collection Services.

The Deputy City Manager – Administrative Services gave a brief presentation.

Mayor Johnson stated the service is provided to other cities; inquired whether staff has contacted other cities to get an idea of satisfaction.

The Deputy City Manager - Administrative Services responded in the negative; stated the City of Inglewood advised her that its track record for renewing Northern California

client contracts is good; in 2009, the City of Inglewood had 12 existing clients that renewed contracts and new clients came onboard, the City of Berkeley has renewed its contract.

Councilmember Gilmore stated that she understands the efficiencies, but is having trouble with contract costs versus what would be saved.

The Deputy City Manager - Administrative Services stated currently, the parking citation program costs approximately \$85-90,000 for staff, which does not track the Supervising Accountant time for managing the program; the Supervising Accountant's time is charged elsewhere; the savings would be approximately \$10,000 in terms of the program; an existing employee would be transferred as opposed to hiring a new employee which would result in another \$80,000 or so in savings.

Councilmember Tam stated staff looked at the City of Inglewood when performing its due diligence regarding economies of scale; inquired why staff has not talked with the City of Oakland or City of Berkeley regarding exploring partnering opportunities in terms of the Duncan Solutions program.

The Deputy City Manager - Administrative Services responded both Berkeley and Oakland contract out and use different vendors; Duncan and Inglewood are the industry standard and have 65 clients in northern California.

Councilmember Tam stated that she is not clear on the processing center location; the location does not seem to be centralized, but spread out.

The Deputy City Manager - Administrative Services stated Duncan Solutions is based out of Milwaukee; Inglewood sought partnership with Duncan Solutions since it is the largest provided; handheld ticket writer support is provided from Carlsbad.

Councilmember Tam inquired whether the \$13,000 a year credit card processing costs would be included in the \$75,000 [annual agreement cost], or whether the cost would be part of the convenience fee that the person getting the ticket would have to pay.

The Deputy City Manager - Administrative Services responded the person getting the ticket would pay the convenience fee as an added cost to the ticket.

Speaker: Richard Hausman, Alameda.

The Deputy City Manager - Administrative Services stated developing a system would be a time consuming process and would be quite costly; some money would be given up for the privilege of having someone else do collections; staff could bring the collections issue back as a separate item in September so Council could choose whether or not to pursue the issue.

Mayor Johnson inquired whether the collection system would be used for tickets that are not paid, to which the Deputy City Manager - Administrative Services responded the collection system would be used for outstanding tickets that would go through the Franchise Tax Board.

Mayor Johnson inquired what process is used now.

The Deputy City Manager - Administrative Services responded letters are sent out four times a year; people do not necessarily respond; eventually, something gets placed on a person's DMV record, which prevents re-registering a car.

The Interim City Manager stated the City has an integrated financial management system that does not have all the modules; having parking citations in an integrated ledger is usually part of accounts receivable; the existing financial management software system is more driven for school districts than for cities; the average cost for a new module is between \$85,000 to \$120,000; the existing system has not been maintained or serviced; the City would have to buy a separate parking citation module, program and integrate the module into the existing system, and find someone to maintain the system; replacing the financial management system with integrated modules would cost approximately \$1.2 million; a maintenance and service fee would be approximately \$49,000 to \$80,000 depending on the module.

Vice Mayor deHaan stated the issue is more than just personnel but involves software and maintenance.

The Interim City Manager stated the most efficient way to handle the matter would be to start peeling away at the various modules little by little and budget going toward a hosted system or outsourcing a system.

Vice Mayor deHaan inquired whether the Interim City Manager is looking at looking at outsourcing some of the components.

The Interim City Manager responded different modules are being reviewed; stated the issue will be discussed under the budget item.

Councilmember Tam inquired whether any other services are available other than Inglewood Citation Management Services (ICMS); further inquired what the City of Oakland uses; stated that she is concerned with being tied to one system and having no recourse other than not renewing the contract if there is a problem.

The Deputy City Manager - Administrative Services responded that she does not know what the City of Oakland uses; stated if a problem develops, the City could contract with another vendor once the existing Agreement expires.

The Interim City Manager inquired whether the Agreement has a termination clause, to which the Deputy City Manager - Administrative Services responded that she would need to check.

Councilmember Gilmore inquired whether the software being used by the vendor is proprietary; further inquired whether the City would need to reprogram everything or get a whole new system when terminating the Contract, or whether someone else would know the system's functions.

The Deputy City Manager - Administrative Services responded the Agreement would be a three-year term with optional renewal; stated either party could terminate the Agreement by providing 120 days written notice; everything would be hosted and would reside with ICMS, the City's data would be converted into the data files; the City could sever the relationship six months down the road if it chooses; that she does not know whether the software is proprietary or not.

The Interim City Manager clarified that the City would get its data back in some format but would not get the software.

The Deputy City Manager - Administrative Services stated having an adversarial relationship with another local agency would not be in the best interest of the City of Inglewood.

Councilmember Matarrese inquired whether hard information going into the database would be certified as being secure; whether data would be retrievable to ensure that data would belong to the City at the termination of the Contract; and whether handheld validated information would go into the database.

The City Attorney confirmed security of information is included in the contract.

The Supervising Accountant explained the data validation process.

Councilmember Matarrese stated certification of validation, certification of secure database, and certification that the City would get data in a format that could be used at the end of the Contract is important.

Vice Mayor deHaan inquired how long the City of Inglewood has been doing citation processing and collection services, to which the Deputy City Manager - Administrative Services responded 20 years.

Vice Mayor deHaan stated that staff would not be considering hiring the City of Inglewood if there were unhappy customers in the past.

Vice Mayor deHaan moved approval of the staff recommendation with Councilmember Matarrese's clarifying issues regarding certification requirements.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote – 5.

(*10-379 CC) Resolution No. 14478, "Authorizing the City of Alameda and the Alameda Fire Department to Access Federal Level Summary Criminal History for Emergency Medical Technicians." Adopted.

(*10-380 CC) Ordinance No. 3020, "Amending the Alameda Municipal Code by Amending Subsection 8-7.11 (Recreational Vehicles, Trailers, and Boat Trailers) of Section 8-7 (Parking Prohibitions) of Chapter VIII (Traffic, Motor Vehicles and Alternative Transportation Modes)." Finally passed.

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(10-381 CC/ARRA/10-59 CIC) Mayor/Chair Johnson announced that agenda items would be taken out of order and provided the revised order.

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AGENDA ITEM

(10-382 CC) Recommendation to Approve Reimbursement Agreement with VF Outdoor (SRM Associates).

The Planning Services Manager gave a Power Point presentation; and the Interim City Manager gave a brief presentation.

Vice Mayor deHaan left the dais at 7:48 p.m. and returned at 7:53 p.m.

Councilmember Tam stated that she wants to be clear that VF Outdoor would be a great company to welcome to Alameda; inquired whether half of the subsidies would be recovered by year four.

The Interim City Manager responded other property transfer taxes are not being projected in future years phasing; stated the only number put in is the number that would be reimbursed for that year; assumptions should have been made regarding the next phases; as other phases are sold in future years there would be more property transfer tax.

Vice Mayor deHaan inquired whether concessions would be made for other phases, to which the Interim City Manager responded in the negative, only Phase 1.

Councilmember Tam stated generating \$3 million over twelve years is approximately \$250,000 per year; Exhibit 3 shows a different estimate of net revenues to the General Fund; inquired whether the recovery would seem to be more like eight years.

The Interim City Manager responded eight years seems about right; stated 50% of the property tax would be going into the special fund, not the General Fund.

Mayor Johnson inquired how VF Outdoor would compare to other businesses in Alameda.

The Business Development Manager responded the best comparison would be Abbott Diabetes Care; stated having 600 plus employees would be similar.

Mayor Johnson inquired what would be the next step down in terms of employees, to which the Business Development Manager responded Wind River.

Mayor Johnson inquired how many employees Wind River has, to which the Business Development Manager responded 300 to 400.

Mayor Johnson stated that she wants to make the scale apparent to the public; VF Outdoor would be a significant business for Alameda.

Speakers: Steve Rendle, VF Outdoor; Marilyn Ezzy Ashcraft, Planning Board; and Lorre Zuppan, Alameda.

Councilmember Tam moved approval of the staff recommendation.

Councilmember Matarrese seconded the motion.

Under discussion, Councilmember Matarrese stated VF Outdoor would be a great company coming to Alameda; Alameda is a safe community; the proposed design meets bay view requirements.

Mayor Johnson stated that she likes the bay friendly landscaping plan; Peet's Coffee has similar landscaping.

Vice Mayor deHaan commended SRM; stated five years ago, the City considered relocating a warehouse in the area; that he cannot say enough about the evolution of the Harbor Bay Business Park; supporting transportation is important.

Councilmember Gilmore thanked staff and SRM for all the hard work; stated that she is very impressed with the campus design; putting parking in the rear adds a lot to the front.

On the call for the question, the motion carried by unanimous voice vote – 5.

CITY MANAGER/EXECUTIVE DIRECTOR COMMUNICATION

(10-383 CC) Correspondence to the United States Department of Transportation Requesting Denial of Alameda County's Proposal to Modify the Hours of Operation to Estuary Drawbridges.

The Public Works Director gave a brief presentation.

Mayor Johnson stated now is a good time to bring the issue before Council; that she is very disappointed with the process the County and Supervisor Lai-Bitker have used; past discussions involved closing bridges for a few hours during the middle of the night; the County did not have any public process before providing a proposal to lock bridges down at 4:30 p.m.; encouraged Alameda residents to express concern and outrage to Supervisor Lai-Bitker; that she is offended that Alameda residents' interest have been disregarded; the Coast Guard has confirmed its policy that economics is not a justification for shutting off waterways.

Speakers: Ed Payne, Alameda and Alameda Waterfront Homeowners Association; and Tom Charron, Alameda.

Councilmember Tam left the dais at 8:32 p.m. and returned at 8:34 p.m.

Following Mr. Payne's comments, Mayor Johnson stated people need to be vocal regarding the issue and continue to send communications to the Coast Guard; concurred that property values would be significantly affected because bridge closure would turn a navigable waterway into a non-navigable waterway.

The Interim City Manager stated that the Public Works Director has spent a lot of time researching the issue, particularly in terms of safety conditions; that she has not done all the work.

Mayor Johnson stated that she is very discouraged with the lack of transparency and meaningful public input; encouraged yacht club members to write letters to the Coast Guard.

The Public Works Director stated the three options noted in the press release are to send letters: 1) to the Federal E Rule Making Portal at www.regulations.gov; 2) via fax to (202) 493-2251, or 3) to the docket facility for the United States Department of Transportation in Washington, D.C.

Mayor Johnson inquired whether staff would be sending a letter to the Coast Guard.

The Public Works Director responded sending a letter to the Coast Guard is not one of the options; stated letters sent to the Department of Transportation would eventually get to the Coast Guard.

Mayor Johnson inquired whether the Coast Guard is recommending such procedure, to which the Public Works Director responded in the affirmative.

Mayor Johnson stated letters should be very strong in stating that the City does not support any change to current bridge operations since the County has not worked with the City; the County has not used a good faith process; the City should oppose any changes and force the County to work with the City.

Councilmember Tam stated that she attended a forum at Aeolian Club on the issue; inquired what is the City's financial contribution to the bridges and whether the City has the option to take over the bridges.

The Public Works Director responded the Park Street and Miller-Sweeney [Fruitvale] Bridges are owned by the County; stated the City has no financial responsibility; County sales tax is earmarked for maintenance; the City has no responsibility to pay for bridge maintenance; the County should have known that there would be on-going costs for maintenance when it accepted ownership; the Coast Guard would not be interested in reducing services that would reduce maritime use.

Captain Payne stated the County collects money for bridge operation through road and gas taxes and is reimbursed for half of the Miller-Sweeney [Fruitvale] Bridge operation from the Federal government.

Councilmember Tam stated that she is interested in what Alameda contributes from its share of the gas or sales tax; the situation is similar to when the City closed Fire Station 5; economics and probability drove the closure; constructive solutions should be considered rather than criticisms.

The Public Works Director stated gas tax is based upon population and miles of roads for the entire County; focus should not be on costs; the Coast Guard stated that costs should not be addressed; the Coast Guard is concerned that maritime service not be unreasonably impacted; that he thinks maritime service would be impacted.

Councilmember Tam stated that she does not have a dispute with writing letters on behalf of the community underscoring the need for the 24/7 operation; other options, other than operating at a loss, should be reviewed if the County and City do not have funding.

The Public Works Director stated the County needs to figure out funding.

Mayor Johnson stated that she attended two meetings; one meeting was with Coast Guard and County staff; the other meeting was with County staff; the first meeting was after the newspaper noticed that the County was proposing to lock the bridges; the County did not answer economic questions regarding operations and maintenance; the County should have come back and worked with the community; the County will not meet or discuss the matter with people who would be most impacted with the proposed change; the County did not outreach to the City regarding the 4:30 p.m. closure; the County has not fulfilled its responsibility.

Councilmember Matarrese moved approval of authorizing the Interim City Manager to send a letter rejecting the County's proposal; stated a solution is out there somewhere; there is a chance to reset the issue.

Councilmember Tam seconded the motion.

Under discussion, Mayor Johnson inquired whether Councilmember Matarrese's motion includes that the City does not support any changes to the current schedule, to which Councilmember Matarrese responded in the affirmative.

Vice Mayor deHaan stated the community was willing explore other ways at an Aeolian Club meeting in February or March.

The Public Works Director stated staff met with the County and reviewed options with the County Public Works Director; she was not interested; the solution would be her way or no way.

Mayor Johnson encouraged people to continue communicating with the Coast Guard and Supervisor Lai-Bitker; inquired whether proposed language regarding no changes to the current schedule is acceptable to Councilmember Tam, to which Councilmember Tam responded, said language is what the letter currently states.

Mayor Johnson requested the language be made stronger.

The Interim City Manager stated language would be firmed up.

Councilmember Matarrese stated the letter can start with the City not wanting any changes.

On the call for the question, the motion carried by unanimous voice vote – 5.

AGENDA ITEMS

(10-384 CC/ARRA/10-60 CIC) Recommendation to Approve the City of Alameda's Real Estate Asset Management Policy.

The Interim City Manager gave a brief presentation.

Speakers: Jon Spangler, Alameda; and Leslie Cameron, Bay Ship and Yacht.

Following Mr. Spangler's comments, the Interim City Manager stated the policy is a Council policy; the Authorities and Responsibilities sections have citations in terms of policy administration; the City Manager would make administrative decisions as to what the policy means.

Councilmember Tam stated for clarity, language should be added stating: "before recommending to the City Council for final approval".

The Interim City Manager inquired where the inserted language should go.

Councilmember Tam responded on Page 5 [of the Real Estate Asset Management Policy] under Organizational Responsibilities X-1 where it states: "the City Manager's office is the ultimate decision maker with respect to administrative interpretation of this City Council policy. All transactions under this policy must be approved by this office"; recommended inserting "before recommending to the City Council for final approval" after the word "office".

In response to Mr. Spangler's comment regarding the policy including the City's commitment to making older City-owned buildings Leadership Energy and Environmental Design (LEED) certified or green buildings, the Interim City Manager stated the idea sounds good.

Following Ms. Cameron's comments, Mayor Johnson stated that the City wants to continue to work with Bay Ship and Yacht and appreciates all the work that Bay Ship and Yacht has done.

Councilmember Matarrese thanked the Interim City Manager, businesses that provided input, as well as staff; stated the policy is exactly what he hoped for when he put in the Council Referral; the earlier policy was not working; the new policy is comprehensive and dynamic; changes and adjustments might be needed; that he wants to stay focused on a long-term approach; taking lease revenues up to the front end to the exclusion of others is not the way to do things.

Councilmember Matarrese moved approval of staff recommendation; stated the policy could be evaluated in six months or after "x" number of negotiated leases to ensure that the City is on target or adjustments need to be made.

Councilmember Tam seconded the motion with the modification to include additional language she proposed [before recommending to the City Council for final approval].

Councilmember Matarrese agreed to amend the motion.

Under discussion, Councilmember Gilmore inquired whether including efforts to become greener would be included, to which Councilmember Matarrese responded in the affirmative.

Councilmember Matarrese and Tam concurred with amending the motion.

The Interim City Manager stated Council would approve the ultimate lease.

On the call for the question, the motion carried by unanimous voice – 5.

(10-385 CC/ARRA) Recommendation to Approve a Cooperation Agreement between the City of Alameda, Alameda Reuse and Redevelopment Authority and the Alameda East Bay Miracle League; and

(10-385A CC) Resolution No. 14479, “Supporting the Alameda East Bay Miracle League Efforts to Construct Miracle Park, Which Will Provide Special Needs Persons with the Opportunity to Play Baseball as Team Members in a Formally Organized Baseball League in the City of Alameda.” Adopted.

The Deputy City Manager – Development Services gave a brief presentation.

Councilmember/Board Member Matarrese inquired whether the resolution of support would identify and commit the City to the site; further inquired whether the resolution would be strong enough to state that there would be a site and money would be provided.

The Deputy City Manager – Development Services responded staff provided the Miracle League with the draft resolution for review; stated the Miracle League believes that the resolution is sufficient; staff coordinated with the Miracle League to ensure that needs would be met.

Speakers: John Pecson, Alameda Soccer Club; Roberta Rockwell, Miracle League; and Nino Borsoni, Miracle League.

Mayor/Chair Johnson thanked the Miracle League and staff for putting together a project that would go forward in the foreseeable future, rather than at an unknown time in a certain phase of development fifteen years from now; congratulated everyone on putting things together.

Councilmember/Board Member Gilmore moved approval of the staff recommendation;

stated everyone's hard work and perseverance has paid off.

Councilmember/Board Member Matarrese seconded the motion.

Under discussion, Vice Mayor deHaan stated the commitment has always been there; timing has been everything; site control is all-important with fundraising.

On the call for the question, the motion carried by unanimous voice vote – 5.

(10-386 CC) Resolution No. 14480, "Authorizing the Sale of 2216 Lincoln Avenue, Approving a Purchase and Sale Agreement Between the City of Alameda and Community Improvement Commission, and Authorizing the Interim City Manager to Execute the Agreement and Related Documents." Adopted; and

(10-61 CIC) Resolution No. 10-169, "Authorizing the Purchase of 2216 Lincoln Avenue, Approving a Purchase and Sale Agreement Between the City of Alameda and Community Improvement Commission, and Authorizing the Interim executive Director to Execute the Agreement and Related Documents." Adopted.

The Housing Development and Programs Manager gave a brief presentation.

Mayor/Chair Johnson stated the project is very positive for Alameda; affordable housing would be a great use for the site and the location is good because it is near City facilities and transportation.

Councilmember/Commissioner Tam stated the location is great and the proposed use is sorely needed; the City would be selling the property to itself; inquired how staff arrived at the \$735,000 purchase price.

The Housing Development and Programs Manager responded two appraisals were performed and the difference was split.

Councilmember/Commissioner Tam stated the proposal would be to put 19 units on half an acre; inquired how Measure A or Article 26 of the City Charter would apply.

The Housing Development and Programs Manager responded the Guyton exemption is a settlement agreement that allows the Housing Authority to develop a number of affordable units exempt from Measure A as long as the Housing Authority is the owner; stated the project would be built pursuant to the Guyton exception and settlement agreement.

Councilmember/Commissioner Tam inquired whether the process would include Planning Board design review and site planning, and whether Council would have final approval.

The Housing Development and Programs Manager responded absolutely; stated additional outreach would be done because the community usually has questions regarding affordable housing.

Councilmember/Commissioner Tam inquired what would be the funding source, to which the Housing Development and Programs Manager responded the Business and Waterfront Improvement Plan (BWIP) Affordable Housing Fund.

Councilmember/Commissioner Tam inquired what is the fund balance, to which the Housing Development and Programs Manager responded the fund exceeds \$3 million and may be closer to \$4 million.

Vice Mayor/Commissioner deHaan stated the site has been used for employee parking; the parking structure is being used now.

The Interim City Manager/Executive Director stated employees who were parking in the lot have been relocated to the top floor of the parking structure; approximately 100 spaces have been earmarked for employee parking.

Vice Mayor/Commissioner deHaan inquired whether the proposed affordable housing site would be the first move forward in the Civic Center vision plan, to which the Interim City Manager/Executive Director responded absolutely.

Vice Mayor/Commissioner deHaan stated the process for the proposed project has been rapid and well thought out; hopefully, the rest of the Civic Center plans do so as well.

The Housing Development and Programs Manager stated identifying funding would come next.

Councilmember/Commissioner Matarrese stated that he is impressed that plans have been implemented, appreciates leadership and direction, and hopes the project moves rapidly.

Councilmember/Commissioner Matarrese moved adoption of the resolutions.

Vice Mayor/Commissioner deHaan seconded the motion, which carried by unanimous voice vote – 5.

CITY MANAGER/EXECUTIVE DIRECTOR COMMUNICATION

(10-387 CC/ARRA/10-62 CIC) Operational Budget Highlights

The Interim City Manager/Executive Director gave a Power Point presentation.

Speaker: Richard Hausman, Alameda.

Mayor/Chair Johnson inquired whether the budget discussion would answer Mr. Hausman's questions regarding the Alameda Free Library being almost \$500,000 in the red at the end of Fiscal Year 2011; the Civic Center garage having \$500,000 going out, leaving \$6,000 at the end of Fiscal Year 2011; Section 227.1 appearing to be a duplication and being listed as Theater Parking structure with different figures; and the Alameda/Oakland Ferry Service being almost \$1 million in the red at the end of Fiscal Year 2011, to which the Interim City Manager/Executive Director responded in the affirmative.

(10-388 CC) Capital Budget Highlights

The City Engineer gave a Power Point presentation.

Mayor Johnson inquired whether the City still does street crack sealing, to which the City Engineer responded in the affirmative; continued the presentation.

Councilmember Gilmore inquired whether Public Works stripes red curbs from the corner; stated the paint wears off and people are out in traffic before making a left turn.

The City Engineer responded the City has one striping program for target areas and another program for on-call; stated red curbs are refreshed if there is enough money left over in the target program; Public Works tries to add red curb painting to address the issue; continued the presentation.

Councilmember Matarrese inquired how closely traffic flow and signage improvements are integrated with other projects such as the Webster Street Planning Project; stated people living on Eighth Street have been suffering with additional Webster Street traffic, which Webster Street wants, since Constitution Way went in twenty years ago; further inquired whether coordination has been performed.

The City Engineer responded in the affirmative; stated staff has met with the West Alameda Business Association (WABA); the Congestion Management Authority (CMA) has a signal interconnect program; deciding how to set signal controls is a balancing act.

Councilmember Matarrese stated the City is spending money on attracting people to Webster Street; inquired how closely staff is working with WABA.

The City Engineer responded the Supervising Civil Engineer is working with WABA and CMA; stated everything depends upon signal timing.

Councilmember Matarrese inquired whether the North Pump Station would fix the lake that occurs next to the Tube every time there is a little rain.

The City Engineer responded last year, water started backing up from the Pump Station throughout the entire West End; stated the lake next to the Tube is more localized; a Capital Improvement Project (CIP) could be done and would cost approximately \$125,000; water hits the hump and never gets to the inlet; grinding down the hump would not provide needed elevation to have a flow line; the whole area would need to be ground out and the grade would need to be reestablish to match the inlet.

Councilmember Matarrese stated there are no curbs on Grand Street between Buena Vista Avenue, Eagle Avenue, and Clement Street; that he noticed a commercial truck pulled up to the dirt where a sidewalk and curb should be; oil was spilling out of the bottom of the truck; inquired whether there are plans to have curbs and gutters throughout the City.

The City Engineer responded development is conditioned to include curbs, landscape strips, and sidewalks for new construction; stated gutters and curbs are part of the resurfacing program.

Councilmember Matarrese stated the site he is referencing seems as though there has never been a curb; inquired whether the issue would be addressed.

The City Engineer responded curbs would be put in as the project comes forward through entitlement or resurfacing.

The Public Works Director stated the site that Council Matarrese is referencing was Beltline property now owned by the City; perhaps some of the lease revenue could be put into capital improvement projects as part of the asset management process.

Vice Mayor deHaan inquired whether the City handles ponding on Otis Drive.

The City Engineer responded the matter would need to be sent to CalTrans; stated the City does not work on any State highway segments.

Vice Mayor deHaan stated staff needs to notify CalTrans, particularly regarding the situation above Broadway; that he is concerned about not having funding available for trees along Appezato Parkway; inquired how the matter would be addressed.

The Public Works Director responded the City has two types of capital improvement projects; stated the City Engineer addressed the traditional capital improvement program, which includes extending the life of a public infrastructure; the other type is annual capital improvement projects, which tend to be maintenance functions; street tree planning falls under annual capital improvement projects; funds would be increased

by \$10,000 if the proposed budget is approved; the amount could be increased more.

The Interim City Manager stated that staff has discussed having a tree nursery which is not part of the budget adoption tonight; the matter could be presented at the first City Council meeting in October.

Councilmember Tam stated that she needs help in reconciling the capital improvement program; expenditures have a huge variability; inquired whether the Krusi Park Feasibility Plan, court resurfacing, and Tillman Park improvements would absorb all of the \$2.1 million in the first year and no funding would be left over.

The City Engineer responded projects are based upon when funding is made available; stated staff did not know whether the City would have Measure WW funds when preparing the fiscal year 2010-2011 budget; hopefully, grants will be available for park improvements next year.

Councilmember Tam inquired whether the same applies to pedestrian/bicycle improvements.

The City Engineer responded pedestrian/bicycle improvements are included in the Park Street Streetscape federal funding and specifically earmarked for lights, sidewalk, and tree work.

Councilmember Gilmore requested clarification of the Harbor Bay Parkway resurfacing.

The Public Works Director stated Harbor Bay Parkway is one of the Americans Recovery and Reinvestment Act (ARRA) federal funding projects; a second round of ARRA funding became available; the City provided paperwork for Doolittle Drive to Ron Cowan Parkway; the City was in the top ten [to receive federal funding] and then federal funding stopped; the City should be eligible once funding is freed up.

The City Engineer stated rumor has it that some funding might be available in September.

Vice Mayor deHaan stated that he is concerned with zero park funding for Fiscal Year 2011-2012; inquired whether Measure WW is the only source available for parks, to which the City Engineer responded a new fund, Roberti-Z-Berg, has been established.

Vice Mayor deHaan stated the City is at the mercy of receiving periodic funds to keep parks together; inquired where funding would be generated if federal funding is not available.

The Interim City Manager responded the base level would be parcel fees; stated the next level would be State grants such as Roberti-Z-Berg or State bond initiatives; the

majority of cities are able to contribute to park improvements from impact fees; the City is lucky to generate \$10,000 to \$50,000 in park impact fees; hence, the City should focus on upgrading the development impact fee study; another option would be using property sale proceeds; a Capital Improvement Discretionary Fund has been established this year which is not a recurrent revenue source; the City has an opportunity to put \$2 million to \$4 million into the fund; the City has an unfunded liability in terms of capital improvements for streets, curbs, and gutters in addition to the park shortfall; impact fees are not going to be substantial for the City.

Vice Mayor deHaan stated parks and libraries will be severely impacted given the State's condition; the City will need to provide its own funding mechanism.

The Interim City Manager stated a recurrent revenue source would have to go to taxpayers.

Vice Mayor deHaan stated that he is bothered by a zero balance [for Fiscal Year 2010-2011].

The Interim City Manager stated cities are going to be forced to finance capital improvements and do maintenance; discretionary State and federal dollars might not be available.

Vice Mayor deHaan stated street funding has dropped from \$3.5 million to \$1 million.

The Interim City Manager stated the City has to leverage opportunities to do joint venture with non-profits so that maintenance dollars can be redeployed.

Vice Mayor deHaan stated things are not going to get better; that he is concerned about how the mechanism might work.

Mayor Johnson inquired whether there is an update on the State budget.

The Deputy City Manager – Administrative Services responded the budget is at a standstill; stated the Governor stated that he will not deal with the issue, but will let the next governor deal with the issue; no one seems to be in a hurry.

Vice Mayor deHaan inquired whether the State deficit is at \$19 billion and holding, to which the Deputy City Manager – Administrative Services responded \$19 billion sounds right.

AGENDA ITEMS

(10-389 CC) Public Hearing to Consider Establishing the Proposition 4 (Appropriations) Limit for fiscal year 2010-2011;

(10-389A CC) Resolution No. 14481, “Establishing Appropriations Limit for Fiscal Year 2010-2011.” Adopted;

(10-389B CC) Resolution No. 14482, “Approving and Adopting the Operating and Capital Budget and Appropriating Certain Moneys for Said Expenditures in Fiscal Year 2010-2011.” Adopted;

(10-63 CIC) Resolution No. 10-170, “Approving and Adopting the Operating and Capital Budget and Appropriating Certain Moneys for Said Expenditures in Fiscal Year 2010-2011.” Adopted; and

(ARRA) Resolution No. 48, “Approving and Adopting the Operating and Capital Budget and Appropriating Certain Moneys for Said Expenditures in Fiscal Year 2010-2011. Adopted.

The Interim City Manager/Executive Director gave a presentation.

Mayor/Chair Johnson requested clarification on call provisions.

The Interim City Manager/Executive Director stated call provisions are structured and indentured when bond holders are able to be paid off; sometimes call provisions are limited and conditions are structured in a municipal debt as an incentive to the buyer of the municipal debt because no one wants to take x amount of dollars if the bond will be called; the debt service term has not been expanded.

Mayor/Chair Johnson inquired whether doing that kind of debt made sense at the time; stated the 2000 AMP bonds that are being refinanced did not make sense even in 2000; policies need to be in place to ensure that bad debt is not done.

The Interim City Manager/Executive Director stated a lot of cities do dirt bonds [Community Facilities Districts]; the best ratio is \$1 of debt for every \$4 of land value; the City needs more elaborate financial policies; municipal debt has variations.

Mayor/Chair Johnson stated the issue with the 2000 bonds is that the bonds were taxable.

The Interim City Manager/Executive Director stated in general, taxables have been at a higher rate; nowadays, cities can get taxables that are less than a municipal rate because city tax credit is not as good as some taxables; government can no longer budget for just a year.

Mayor/Chair Johnson inquired whether the bond that Council did not like a couple of years ago and sent back a number of times cannot be refunded.

The Interim City Manager/Executive Director responded the bond would be difficult to refund in today's market; at the time, the bond probably made sense to relieve the

pressure in the General Fund.

Mayor/Chair Johnson stated Council sent the bond back at least three times and then reluctantly agreed to move forward; Council would not have gone forward if the provisions were known.

The Interim City Manager/Executive Director stated refunding the bond over the time period left in the initial bond would result in higher debt service payments; payments would spike by not extending the debt service term beyond what was initially done on the debt.

Mayor/Chair Johnson stated policies need to be developed to avoid mistakes that have happened in the past.

The Interim City Manager/Executive Director stated the City has very low debt ratio; debt is in the future; standards and policies need to be in place before debt is issued.

Councilmember/Board Member/Commissioner Matarrese stated the policy approach is the same approach that is being taken with asset management; balancing the budget is necessary; revenue needs to be generated to fill the budget gap and long term affect; a long-term approach should be included as policies are developed.

The Interim City Manager/Executive Director stated that she will come back before the holidays with a financial policy similar to the asset management policy.

Vice Mayor/Board Member/Commissioner deHaan stated the Interim City Manager/Executive Director stated refinancing cannot be done and that the General Fund would be needed; inquired how long the bleeding would last.

The Interim City Manager/Executive Director responded there is no long-term funding out of the Library; General Fund dollars would be used on a recurring basis until 2014, unless another way is found.

Councilmember/Board Member/Commissioner Matarrese inquired whether the \$12.1 million [General Fund balance] would drop.

The Interim City Manager/Executive Director responded the \$1.7 million transfer to the Library would go up to \$2.1 million and \$2.2 million; stated staff will work very hard to find a solution; another part of the policy would be what would be financed with a thirty year debt; that her first reaction would be to see if some of the bonds could be called to reduce debt service and lower the balance; however, she has not looked far enough in the indenture; right now, her feeling is not to refund something unless money could be saved because the cost of issuance would be too high.

Councilmember/Board Member/Commissioner Gilmore stated there is approximately a \$10 million difference in Special Revenue Funds (SRF) from Fiscal Year 2010-2011 to Fiscal Year 2011-2012; reduced revenues are expected; inquired what expenses would be cut.

The Interim City Manager/Executive Director responded a number of the SRF are grants, bond proceeds, and CIP Funds, which will have draw downs; expenditure reductions need to be reviewed because revenues have been reduced, in terms of the gas tax and Measure B, which are coming down 10% - 20%; redevelopment funds are also in the SRF.

Councilmember/Board Member/Commissioner Gilmore inquired whether the SRF drop is the result of what the State is doing to the City.

The Interim City Manager/Executive Director responded in the affirmative; stated interest would go down; the State is taking redevelopment money and the City is drawing down on capital improvement funds to pay bills and finish projects.

Councilmember//Board Member/Commissioner Matarrese inquired whether the drop includes last year's regular property tax reassessments that will hit the tax roles this year.

The Interim City Manager/Executive Director responded in the affirmative for the redevelopment agency and General Fund.

In response to Councilmember/Board Member/Commissioner Tam's inquiry regarding Fire and Police Department expenditures, the Interim City Manager/Executive Director responded in Fiscal Year 2008-2009, the City did not fully fund all Police positions; netting out salaries is not uncommon if a city knows there will be a large delay in vacancies; Fiscal Year 2008-2009 figures reflected the Reduction in Force (RIF) and did not include fully funding the positions; in Fiscal Year 2009-2010, all positions were funded in the Police Department; approximately \$600,000 in Police personnel costs were not fully funded in the Fiscal Year 2008-2009 budget; personnel sheets have been redone to ensure that positions are fully funded; in the year now closing, departments need to absorb additional costs; medical insurance increases have been a common theme across all departments; the Fire and Police Departments have 92 sworn personnel, which will not change this year.

Vice Mayor/Board Member/Commissioner deHaan stated one fire station closed which resulted in a 20% loss in activity; inquired how the loss is reflected.

The Interim City Manager/Executive Director responded closing the Fire Station is parallel with the number of positions cut in the Fire Department; stated the assessment for Police and Fire will be different and will be based on what makes sense; the goal is

not to reduce staffing absent circumstances beyond control; that she does not know what the State will do with some of the issues; she thinks revenues are very solid and will stay firm; the City is in a no growth period until 2014.

Mayor/Chair Johnson stated federal government projections are 9.5% unemployment until 2014.

The Interim City Manager/Executive Director stated California is at 14.6% unemployment; the Bay Area is particularly high; continued the presentation.

Vice Mayor/Board Member/Commissioner deHaan stated contingency plans need to be in place.

The Interim City Manager/Executive Director stated finding ways to protect services is important; sometimes the easiest things to cut what some people believe are nonessential services that are quality of life services; staff is trying to come up with strategic ways, such as working with consortiums to do non-profit, school opportunities, and outsourcing non-core services so that existing employees can be redeployed someplace else like filling a position in another department; the process is of managing resources is constant.

Councilmember/Board Member/Commissioner Matarrese stated an item on tonight's agenda is a project that would bring revenue and jobs to the City; the leasing program at the former Naval base and the Alameda Point plan will help with the revenue stream so that the City can stay steady; the proposed budget looks good and reflects maintaining a plan that is well thought out, is tight, and is very conservative; a way needs to be found to strengthen the revenue stream so that the City can stay steady when the economic experiences deepens.

The Interim City Manager/Executive Director stated new revenues are not included in the projections, which are conservative; the City has projects coming forward that are generating jobs in the dead economy; staff has had to revisit some things because generating jobs and property tax makes sense right now; the situation is a give and take.

Mayor/Chair Johnson stated Mr. Hausman had some questions [regarding the Civic Center garage and theatre/parking structure].

The Interim City Manager/Executive Director stated Special Revenue Funds that have a .1, .2, etc. following the fund number are sub funds; 224 is the Parking Meter Fund; funds pay for the citation process; 224.1 is the Civic Center Garage Fund and contains all parking structure revenue, administration costs through out sourcing, paying for staff, and any debt with respect to the parking structure; a lot of capital is not kept in the fund to pay for debt service.

The Deputy City Manager – Development Services stated the fund also includes rental income.

The Interim City Manager/Executive Director stated the fund also pays for a Housing and Urban Development (HUD) debt service loan; the fund will be closed when the HUD loan is paid off; the Council/Commission/Board Member's would then need to figure out what to do with the excess revenue.

Councilmember/Board Member/Commissioner Matarrese stated excess revenues could be used for maintenance.

The Interim City Manager/Executive Director stated Fund 621.2 is the Alameda/Oakland Ferry Service fund which has a negative projected cash fund balance; the service is being packaged up to send to WETA; the 600 series are Enterprise Funds; numbers are merged assets and liabilities and are not necessarily negative cash but depreciation; in the very near future, the City will only have two enterprise funds: sewer and golf.

* * *

(10-390 CC/ARRA/10-64 CIC) Councilmember Matarrese moved approval of continuing the meeting past 12:00 midnight.

Vice Mayor/Board Member/Commissioner deHaan seconded the motion, which carried by unanimous voice vote – 5.

* * *

Councilmember/Board Member/Commissioner Gilmore stated previous discussions have involved surveying the Beltline property; that she has discussed the potential for having a fire station on one of the pieces or property with the Interim City Manager/Executive Director; \$400,000 has been set aside for soft costs for a fire station; inquired whether the idea is still being pursued.

The Interim City Manager/Executive Director responded in the affirmative; stated a corner piece of the Beltline property could be a good spot for relocation of Fire Station 3; that she thinks looking at a complete site analysis and location would be warranted; using existing City property for buildings is important because buying property and building the structure costs too much; constructing a building on City-owned land could easily be done with some one-time monies in the CIP Fund; the CIP Discretionary Fund does not include dollars discussed earlier regarding the sale of the employee parking lot but does include two hits of one-time revenues, which are AMP back payments in the amount of \$1.2 million and approximately \$800,000 of administrative dollars that had not been charged to the refinanced assessment districts for approximately ten years; the CIP Discretionary Fund has approximately a \$2 million projected balance; expenses have not been projected; six to eight months ago, Public Works sold a small portion of

property which generated approximately \$200,000; at the time, her recommendation was to put the money into a facility maintenance reserve; the policy is to take one-time property sale revenues and put the money into an open space fund; a small amount was used to pay for the final purchase of the Beltline property; the question is what to do with the money when the City decides to liquidate property.

Councilmember/Board Member/Commissioner Tam inquired whether the \$400,000 [set aside for a fire station] is in the General Fund.

The Interim City Manager/Executive Director responded the \$400,000 is in a reserve fund in the General Fund and is not included in the \$12 million General Fund balance.

Councilmember/Board Member/Commissioner Gilmore stated the City is paying a lot of rent to house fire fighters next to a fire station that is not earthquake safe; a lot of money would be needed for expensive repairs in order to use the fire station; the City could spend money on something that could be constructed and City owned instead of putting money into something that the City does not own and would not use long term; that she is trying to nudge the process along.

The Interim City Manager/Executive Director stated site location is not easy, especially because location impacts response time.

Councilmember/Board Member/Commissioner Gilmore stated a letter has been received from SunCal regarding a development program; there have been disagreements on how things have been charged; that she assumes staff would come back with explanations when discrepancies are reconciled.

The Interim City Manager/Executive Director stated that she would review the accounts and ensure that everything is reconciled.

Vice Mayor/Board Member/Commissioner deHaan inquired whether the City needs to get some answers from SunCal also.

The Deputy City Manager – Development Services responded the City would need to get information on eligible pre-development expenses; however, the point is moot now.

Councilmember/Board Member/Commissioner Matarrese moved approval of the budget as presented [adoption of the resolutions]; stated that he appreciates the clarity, sacrifices, and hard work of the entire workforce; he does not expect the budget to be static but moveable through quarterly updates.

Vice Mayor/Board Member/Commissioner deHaan seconded the motion.

Under discussion, Vice Mayor/Board Member/Commissioner deHaan stated that he is

impressed with the work plan; staff has come a long way; the rainy day is not over; the \$12 million [General Fund reserve] is in jeopardy the longer the economy stays as is.

Mayor/Chair Johnson complimented staff for continuing to refine the budget and make the budget more transparent and understandable; stated the budget [format] gets better and better each year.

Councilmember/Board Member/Commissioner Gilmore inquired whether all of tonight's Power Points would be posted to the website; further inquired whether a hard copy would be on file at the Library.

The Deputy City Manager – Administrative Services responded a hard copy is already at the Library; stated staff is figuring out how to technologically break the budget into smaller pieces.

Vice Mayor/Board Member/Commissioner deHaan stated tonight's meeting has been the most productive meeting in a long time.

The Interim City Manager/Executive Director stated a year's worth of planning, concepts, and drafted policies have culminated into something tangible; agendas should be very active in the next year.

The Deputy City Manager – Administrative Services requested that the Proposition 4 limit be adopted before the budget.

Councilmember Gilmore moved adoption of the resolution.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote – 5.

On the call for the question, the original motion carried by unanimous voice vote – 5.

(10-391 CC) Resolution No. 14483, "Reappointing Ian Couwenberg to the Housing Commission." Adopted.

Councilmember Matarrese moved adoption of the resolution.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote – 5.

(10-392 CC) Public Hearing to Consider Adopting a Report on the Collection of Sewer Service Charges on the Tax Roll for Fiscal Year 2010-2011.

The Public Works Director gave a brief presentation.

Councilmember deHaan moved approval of the staff recommendation.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote – 5.

(10-393 CC) Adoption of Resolution Calling a Consolidated Municipal Election in the City of Alameda on November 2, 2010, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Repealing Article XXVII on Compulsory Arbitration for Firefighters; and Proposing Said Charter Amendment. Not adopted;

(10-393A CC) Adoption of Resolution Calling a Consolidated Municipal Election in the City of Alameda on November 2, 2010, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Adding Sections 3-20, 17-18 and 21-2 regarding Budget Authority of the City Manager and City Council; and Proposing Said Charter Amendments. Not adopted; and

(10-393B CC) Adoption of Resolution Calling a Consolidated Municipal Election in the City of Alameda on November 2, 2010, for the Purpose of Submitting to the Electors a Proposal to Amend the City of Alameda Charter by Section 3-18 to Allow the City Clerk to Reject All Legal Advertising Bids; by Amending Section 10-3 to Add a Member to the Public Utilities Board and Convert the City Manager into a Nonvoting Member; By Amending Section 12-1(C) to Add Restrictions to Public Utilities Board Contracting; and By Repealing Section 22-8 Regarding the Hours of City Offices; and Proposing Said Charter Amendments. Not adopted. (City Attorney)

The City Clerk and Interim City Manager gave a brief presentation.

Councilmember Tam stated that when she was on the Charter Subcommittee, thirty-two different amendments were on the 2008 election; one section relating to specified hours relegated that Council could adopt a schedule.

The City Clerk stated there was a measure regarding the Council meeting.

Councilmember Tam stated the measure also addressed to hours of operation because the Planning Department opens at 7:00 a.m. and the Library is open on Saturdays; Council did not want to be prescriptive in City Hall's hours of operation.

The City Clerk stated that she would double check.

Councilmember Gilmore stated that she recalls the measure-included hours of operation; previous hours of operation did not meet what is in the Charter; discussions included departments having different hours of operation.

The Interim City Manager inquired whether the issue actually went on the ballot or was just discussed.

Mayor Johnson, Councilmember Tam, and Councilmember Gilmore stated the issue went on the ballot.

Mayor Johnson stated all measures passed and perhaps the Charter has not reflected the change yet.

Speakers: Jon Spangler, Alameda; Ann Spanier, League of Women Voters; and Domenick Weaver, IAFF.

The City Clerk stated Section 22-8 was modified; the following language was struck: "to increase such hours for the necessary accommodations of the public"; the section after the 2008 election reads: "All public offices except for otherwise provided by law shall be open for business every day, except holidays from 9:00 a.m. to 5:00 p.m. subject to modification by Council".

Councilmember Gilmore stated the Subcommittee thought subject to modification by Council would mean Council could pass an ordinance to modify hours.

The Interim City Manager stated her interpretation is different; inquired whether the language allows Council to amend hours by ordinance or resolution.

The City Attorney responded in the negative; stated that she recalls that the section was modified in 2008 because the way the Charter read, Council could only increase hours, not decrease hours; what is being suggested now is to repeal the section entirely so that Council would have more flexibility and hours could be set by resolution, ordinance, or policy; making a change now would require a Charter amendment.

In response to Councilmember Tam's regarding repealing the section in 2008, the City Attorney stated the matter was not discussed.

Mayor Johnson requested the City Clerk to read the section again.

The City Clerk read the section again.

Mayor Johnson stated that it sounds as though Council can modify the schedule, including Saturdays and Sundays.

Councilmember Gilmore stated the Subcommittee's intent was to enable Council to change hours; the Subcommittee had discussions regarding departments having different operating hours and did not want to have a Charter amendment every time Council wanted to change a department's hours; despite what the Charter said prior to the amendment, some departments did not have the correct hours.

Councilmember Tam stated the Subcommittee process eight months; the Subcommittee consulted with all departments; the issues [proposed tonight] did not come up; the proposed amendments have not gone through a fully transparent process and with a meaningful opportunity for public input; that she has not had a full briefing on the implications of the Seal Beach issue [noted by Mr. Weaver].

The City Attorney stated that she could provide a briefing; in addition, Mr. Wiley, the City's Labor Attorney, is also here to provide input.

Councilmember Gilmore stated that she appreciates the City Attorney's foresight in having Labor Counsel available for a briefing, which does not solve her biggest issue; the Subcommittee went through an exhaustive process to the point of polling different departments to see if anything else should be added; that she does not think the issue should be taken lightly; the public needs to have the opportunity to ask questions and be educated; amending the Charter should not be rushed; 2008 was the first time that the Charter was amended; amending the Charter without having the same process the first time around is not good public policy.

The Interim City Manager stated that she addressed the proposed Public Utilities Board (PUB) amendment in the past.

Councilmember Matarrese stated that he would like to see the proposed PUB amendment go forward because of the inherent conflict of interest; people have time to discuss the issue between now and November; the PUB item is the simplest one.

Councilmember Tam stated that she disagrees that the PUB issue is simple.

Councilmember Gilmore inquired why the City Manager was put on the PUB; further inquired why the City Manager would be a PUB member if not a voting member.

The Interim City Manager responded the Alameda Municipal Power General Manager thought that having the City Manager be an ex-officio would be helpful; stated that she is not aware of any instance where the City Manager has voted; the Charter is a living, breathing document; the opportunity to amend the Charter only comes around every couple of years unless a special election is called, which would be pricey.

Councilmember Gilmore inquired how long staff has been working on the amendments.

The City Attorney responded some of the proposed amendments have been in the works for over a year; stated the language has not sprung up overnight; the language is a product of concerted staff effort; unfortunately, the Charter Subcommittee declined to meet this year; the General Election would be the cheapest opportunity to do any Charter amendments; the proposed amendments have been brought forth

administratively; tonight, no policy action would be taken on any of the resolutions; Council would be letting voters decide.

Councilmember Gilmore stated not having the Subcommittee meet ahead of time should not have prevented staff from coming forward with the ideas prior to the eleventh hour; staff is requesting Council to take an action tonight at the last possible minute to allow the matter to go forward on the November election; staff could have brought the matter forward administratively a month or two ago; that she is not imputing any bad motive by staff; however, from a public policy standpoint, the matter appears rushed and ill-considered to be brought up at the eleventh hour.

Vice Mayor deHaan inquired when would be the next window of opportunity [to address the issues].

The City Clerk responded for a General Election, two years; stated the issues could be consolidated with countywide elections.

Councilmember Tam inquired whether the fire fighter initiative was relegated to November 2011.

The City Clerk responded in the affirmative; stated the election would not be a General City election.

Councilmember Gilmore inquired whether putting more issues on the ballot would help cost-wise.

The City Clerk responded costs would not be significantly more; stated the City would already be bearing the cost of the election.

The Interim City Manager stated the only new resolution is regarding delaying the effective date of any ordinance that would require an expenditure of funds until funds are identified; the issue is something that the City should consider because initiatives spring up left and right.

Councilmember Tam stated the binding arbitration resolution is new to her; the issue was not brought up when she served on the Charter Subcommittee.

The Interim City Manager stated the issue has been a major discussion as long as she has been Interim City Manager; the City has an opportunity to move forward on something that would reflect the Fiscal Sustainability Committee's theme, which would allow voters to decide whether or not to have binding arbitration given today's economic reality; putting the measure on the ballot would involve a through public process; that she does not think management should not be able recommend something that is vital to the City.

Councilmember Matarrese noted the reason the [fire fighter initiative] issue has been scheduled for November 2011 is because the City had been waiting to see what PERS would do.

Councilmember Gilmore seconded the motion.

Under discussion, Vice Mayor deHaan stated Mr. Weaver noted that binding arbitration was established for fire fighters in 1980; a poison pill was added to include that funding would be necessary in order to occur.

The City Attorney stated the original binding arbitration provision was not put on the ballot by the City but was sponsored by the union; the City put on a companion measure which stated that if binding arbitration is invoked and the arbitrator gives an award that is beyond what the City has been paying, then the City can also invoke it's right to send the award to the voters; the issue is outlined in Section 17-17.

Vice Mayor deHaan stated the basic concern is why there is binding arbitration for one union and not others; inquired how existing negotiations would be affected if the proposed resolution went forward.

Joe Wiley, Labor Negotiator, responded the ground rule would be predicated on the existence of the Charter amendment; stated binding interest arbitration could be bargained if Council gave authority to do so; the issue would be a non-mandatory subject of bargaining.

Vice Mayor deHaan inquired whether the issue has been done for any other unions, to which Mr. Wiley responded not to his knowledge.

The City Attorney stated parties could always elect to go to arbitration when there is a dispute; arbitration does not have to be mandatory or binding.

Vice Mayor deHaan inquired why one bargaining unit would have something that others would not.

Councilmember Tam responded fire fighters are precluded from striking.

Mr. Wiley stated that fire fighters and police officers are precluded from striking; the Seal Beach decision stated having a strike that would create an impact to public health and safety would be unlawful and would be subject to being enjoined; the Seal Beach case does not apply to the City's circumstances; the Seal Beach case addressed a mandatory subject of bargaining in which an employee would be fired without review if engaged in the conduct [strike]; a mandatory subject of bargaining cannot be placed on the ballot without first having a meet and confer; two decisions have been handed down

on whether binding interest arbitration is a mandatory, permissive subject of bargaining; both the Public Employment Relations Board and District Court of Appeal found interest arbitration is a permissive, non-mandatory subject of bargaining and expressly held that meeting and conferring with the union first is not necessary prior to putting the matter on the ballot.

The City Clerk restated Councilmember Tam's motion: to move approval to reconstitute the Charter Subcommittee in preparation for the November 2011 election.

Councilmember Tam stated that her motion includes beginning discussion in 2011.

Councilmember Matarrese inquired whether there is a March election next year.

The City Clerk responded elections are held in March in odd numbered years and in June and November every year.

Councilmember Matarrese stated the three proposed amendments are critical and need to be put before the public because of serious budget implications and good government.

Councilmember Tam stated that her motion remains the same; in all fairness to the proposed fire fighter initiative, it should be juxtaposed against each other and should not separately preempt the measure.

Councilmember Matarrese inquired whether the matter would not be discussed until November.

Councilmember Tam stated that her motion is to have discussions starting in 2011 in preparation for the November 2011 election and to reconstitute the Council Charter Subcommittee because the Subcommittee might change after the November 2010 election.

Mayor Johnson inquired whether the Subcommittee could start working on the matter before January, 2011; stated the start time should be flexible so that the current Council Subcommittee could start working on the matter sooner.

Councilmember Tam stated under the Mayor's advisement, the Subcommittee would have the option to work on the matter sooner rather than later.

Mayor Johnson stated the Subcommittee should start earlier because more cleanup language might be needed.

Councilmember Gilmore stated the same process should be resurrected regarding asking Department Heads for suggestions; inquired whether the City Attorney's staff

could be utilized, to which the City Attorney responded in the affirmative.

Vice Mayor deHaan inquired whether Councilmember Tam modified her motion to include starting discussions earlier.

Councilmember Tam responded that she has not modified her original motion; under advisement from the Mayor, the Subcommittee would have the option of starting discussions earlier than 2011 if schedules work out; that she thinks it would be very hard pressed for Councilmember Gilmore and her to find time to work with the departments because of going dark in August, having a full schedule in September, October being the election season, and the election is in November; however, every effort will be made to do so.

On the call for the question, the motion carried by unanimous voice vote – 5.

ORAL COMMUNICATIONS

(10-394 CC) Melody Marr, Alameda Chamber of Commerce, stated that she was present to wish the Council farewell.

COUNCIL REFERRALS

(10-395 CC) Consider Directing the Interim City Manager to Prioritize an Alternative Process and Plan for Alameda Point.

Councilmember Matarrese gave a brief presentation.

Speakers: Jon Spangler, Alameda; and Pat Keliher, SSC Alameda.

Mayor Johnson stated that the item is Councilmember Matarrese's referral, not something that comes from staff.

Councilmember Matarrese stated that he always looks for alternatives; he submitted the Council Referral on July 21, 2010 as a proposal for where to go next; new elements have arisen, particularly, taking a look at the Regional Housing Needs Assessment, which is a good place to start; the City would always work with the Navy, Veteran's Administration, and State Tidelands Trust; that he wants a specific plan on how the City will move forward post the Exclusive Negotiating Agreement (ENA).

Mayor Johnson stated some items [on the Council Referral] have already been done; that her preference would be to have staff come back with options; Council would need to talk about a process; a broader look needs to be taken before specific direction is given.

Councilmember Gilmore stated that she agrees with a lot of the points made tonight; Council needs to take a deep breath; staff should look at a broad set of options and bring the matter back to Council for discussion so the public can come forward and provide ideas; that she has heard several different ideas from the public; some of the ideas do not include jobs or housing; Council should be very deliberate and listen to the public; encouraged the public to contact Council or staff with preferred options.

Councilmember Tam stated that she concurs with Councilmember Gilmore's and Mayor Johnson's comments; she feels that the wheel has been reinvented right after the wheel seemed not to be working; everything listed on Councilmember Matarrese's referral has been evaluated in the course of getting to a Master Plan; redeveloping Alameda Point is important, is a goal in the budget, but is not as important as developing a project that can be supported by the community and is financially and environmentally sustainable; the financial part is a big deal; the federal government does not think the world revolves around her and Alameda; having funding to get the project going is important; that she thinks providing direction is premature until the City can identify a funding source for conveyance of the property.

Vice Mayor deHaan stated that he is appalled that people are accusing Council of having secret plans; Councilmember Matarrese's Council Referral is logical; local, non-profit development corporations have been used; Councilmember Matarrese is suggesting looking into the matter and nothing more than that; everyone has different thoughts; Councilmember Matarrese has set a baseline; a lot of caveats need to be included to provide leeway in order to put the issue in property context; Council and staff are not starting at square one.

Mayor Johnson stated that she does not want staff to be limited what options are brought to Council.

Councilmember Matarrese stated limiting options is not the point; the first point would be to focus on job creation and commercial development; the focus has always been housing; that he is advocating local control; he wants to give direction on maximizing leases and building a commercial community which has always been lacking.

Mayor Johnson stated staff should come back to Council with a full range of options; the ideas are fine to consider; consequences would not be known by giving specific direction in a very narrow area; comprehensive options need to be brought back.

Councilmember Matarrese stated that he is proposing a comprehensive plan for job creation and commercial development at Alameda Point, including, but not limited to, points listed in the Council Referral.

Mayor Johnson suggested that staff come back with options in September regarding how to proceed.

Councilmember Gilmore stated staff should take a reasonable amount of time; that she would like to see a full blown discussion on the full range of options and include the public; she has heard options that include a public land trust which seems to be diametrically opposed to things discussed tonight; that she does not want to give specific direction to start down one path and limit options.

Vice Mayor deHaan stated the Preliminary Development Concept (PDC) and SunCal plans have had commonalities; the core is very common and could be developed; the marketplace should be reviewed.

Councilmember Tam stated that her preference is to give direction on finding a funding stream and getting a project that is fundable as opposed to trying to decide the project direction.

Vice Mayor deHaan stated funding streams are extremely important; developing large parcels could create funding streams; understanding the overall project is important.

Councilmember Tam stated the City had a master developer, Alameda Point Community Partners, who lost financing; another developer has looked at a potential maximum build out of over 4,000 units; staff came back with negative rates of return; inquired whether Vice Mayor deHaan thinks there is some magic fundable project, to which Vice Mayor deHaan responded in the affirmative.

Mayor Johnson stated Council couldn't provide specific direction tonight; options need to be reviewed; giving specific direction on component parts would be a mistake.

The Interim City Manager inquired whether the direction is to include Council Referral items, but not limit the options, to which Mayor Johnson responded in the affirmative.

Councilmember Matarrese stated staff should consider the items and come back in September or October.

Vice Mayor deHaan stated that he does not see anything revolutionary in the Council Referral.

Councilmember Matarrese stated that he wants the broadest possible point as long as the Council Referral items are included.

Councilmember Gilmore stated nobody wants financial analysis; that she looks forward to staff's insight on the matter.

Councilmember Gilmore moved approval of incorporating everything discussed.

Vice Mayor deHaan noted transportation is missing.

The motion carried by consensus.

(10-396 CC) Discuss/Take Action on the City Attorney Policy of Not Providing Legal Opinions to Councilmembers in Advance of Meetings.

Councilmember Gilmore gave a brief presentation.

Mayor Johnson inquired what Section 8-2 of the Charter states.

The City Attorney responded the last phrase of the last sentence of Section 8-2 states "The City Attorney shall be the legal advisor of and attorney and counsel for the City and for all officers and boards thereof in all matters relating to their official duties, and whenever requested in writing by any of them, he shall give his or her legal advice in writing"; a legal opinion was given in writing; that she advised each individual Councilmember that the legal opinion would be handed out in Closed Session which has been done many times before; that she needs to have some discretion as to how best to do her job to protect Council and the City; she made it clear that the opinion was going to be provided in Closed Session, but that any Councilmember could come to her office to read the opinion in advance; the opinion was to be collected at the end of the Closed Session as has often been done which is not a violation of the City Attorney's duties under the Charter.

Councilmember Gilmore stated the opinion was particularly lengthy as well as the staff report; she went to the City Attorney's office to read the opinion within an hour before the meeting started; the lengthy opinion was hard to digest; the City Attorney's procedure assumes that she would only read the opinion once; the City Attorney made some vague comments regarding concerns with leaks coming out of Closed Session; that she has not been accused of a leak; she does not understand why she could not have a copy of the opinion to read at her leisure; that she advised the City Attorney that she had no problems with giving the opinion back; she has no interest in keeping confidential materials; the City Attorney is making it hard for her to do her job; the Charter does not state that a Councilmember needs to go to the City Attorney's office to read an opinion.

Mayor Johnson inquired whether Councilmember Gilmore's intent is to put the matter on an agenda for discussion, to which Councilmember Gilmore responded in the affirmative.

Mayor Johnson stated the matter is hard to discuss at 1:45 a.m.; that she does not think that the City Attorney has violated the terms of the Charter; perhaps Councilmember Gilmore is looking for clarification on document handling.

Councilmember Gilmore stated that she wants consensus to bring the matter back for a full-blown discussion.

Mayor Johnson stated that she would prefer to bring the matter back rather than discussing the matter at 1:45 a.m.

Councilmember Gilmore stated that she is in concurrence.

Councilmember Tam moved that the matter be brought back.

Councilmember Gilmore seconded the motion.

Under discussion, Vice Mayor deHaan stated past practices have been to bring legal opinions to Closed Session.

Councilmember Gilmore stated this time, she found out about the existence of the opinion beforehand.

Vice Mayor deHaan stated a hard copy has never been provided to Council [to keep] in the past.

Mayor Johnson stated the City Attorney has followed past practices; Councilmember Gilmore wants to discuss the issue.

Councilmember Matarrese inquired whether the intent would be to discuss the matter or provide a policy for handling confidential documents.

Mayor Johnson stated the discussion and/or policy would need to be addressed when the matter is heard.

Councilmember Gilmore stated that she wants the matter agendaized for further discussion, and wants some sort of direction to come out of the discussion.

Mayor Johnson stated the process followed by the City Attorney has been consistent with past practices.

Councilmember Gilmore stated Council has not affirmed policy and direction.

Mayor Johnson stated a policy is nowhere to be found if there is one.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmembers Gilmore, Matarrese, Tam and Mayor Johnson – 4. Noes: Vice Mayor deHaan – 1.

COUNCIL COMMUNICATIONS

(10-397 CC) Consideration of Mayor's nomination for appointment to the Public Utilities Board.

Mayor Johnson nominated Madeline Deaton for appointment to the Public Utilities Board.

(10-398 CC) Councilmember Gilmore inquired why Council did not find out about the documentation given to the District Attorney on May 26, 2010 until six weeks later.

The City Attorney responded the District Attorney's office requested that the matter be kept confidential pending their investigation; stated it was only at the insistence of the attorneys for the City and Interim City Manager, given the fact that it was necessary to hold a Closed Session regarding SunCal, that precipitated the need to make the matter public.

ADJOURNMENT

There being no further business, Mayor/Chair Johnson adjourned the meeting at 1:47 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -JULY 27, 2010- -6:00 P.M.

Mayor Johnson announced that the City Council attempted to meet in Closed Session tonight; due to the pending investigation into the official conduct of Councilmember Tam, which has been filed with the District Attorney, Councilmember Tam was asked to recuse herself from the Closed Session; Councilmember Tam refused to do so; as a result, the City Council did not meet in Closed Session, but continued the matter to a future date; the City was unable to transact its official business while the investigation is pending before the District Attorney's Office and looks to the District Attorney and Grand Jury to expedite a resolution of the investigation.

(10-375) Conference with Legal Counsel – Existing Litigation (54956.9); Name of case: Collins v. City of Alameda (Boatworks). Not heard.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.